

PRESS RELEASE

RELEASE DATE – October 11, 2021

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Transportation Disruption Risk Number One Threat in Three Out of Last Four Quarters

Supply chain managers continue to be concerned about fuel prices, driver shortages and infrastructure demand volatility.

According to the [Lehigh Business Supply Chain Risk Management Index](#) for the fourth quarter, Transportation Disruption Risk has gone up over 10 points since the beginning of 2021. Supply chain managers, who participated in the LRMI survey, continue to be concerned about fuel prices, labor shortages, port congestion, shipping container shortages and international freight rates.



Supplier Risk at 84.88 is the second highest concern and almost 5 points higher than last quarter. “Suppliers are diversifying their supply base to address shortages, but are concerned about the risks associated with new suppliers, labor shortages, price uncertainty and low inventory,” said [Zach G. Zacharia, Ph.D.](#), associate professor of supply chain management and director of the Center for Supply Chain Research at Lehigh.

The total average risk index for the fourth quarter of 2021 is 70.35, a point higher than last quarter and the highest it has been since the LRMI was created in the third quarter of 2020. It has been on the rise for four straight quarters.

The LRMI identified the same top four risk categories as last quarter, just in different rank order, for the fourth quarter of 2021 when compared head-to-head. They are transportation, supplier, economic and cybersecurity risks. The other six categories are government intervention, environmental, customer, operational, quality and technological risk.

“We have been tracking supply chain risk for over a year now which gives us a fuller picture of these threats,” said Zacharia. In the last four quarters customer risk has dropped four places from second on the list in the first quarter. “Some managers are finding customers have increased their forecasts and inventory to reduce risk in the upcoming quarters,” said Zacharia.

“This report allows executives, not just supply chain managers, to look ahead and prepare for risks that will become important to manage in the next quarter,” said Zacharia.

A unique aspect of the LRMI is that the quarterly reports include a sampling of candid comments from supply chain managers about each risk category that takes you beyond the numbers. Comments from the fourth quarter report include:

- DOT rule changes have put the entire transportation industry in a constant state of "disruption."
- As we go into post pandemic and money starts to seize up and free governmental money goes away, I see many suppliers starting to close doors.
- Inflation is going to kick our butt big time. It will be double digit and then some.
- Technology companies becoming the new data risk of the future. There will be a cost to get data and cost to play that will be ever increasing.
- [Read more comments.](#)

The LRMI was developed by the [Center for Supply Chain Research at Lehigh University](#) and the [Council of Supply Chain Management Professionals](#) to help rank 10 broad categories of supply chain risks.

LRMI reports are available every quarter in Sept., Dec., March and June.

To get the latest report for free and to find out how supply chain managers can take the LRMI survey for the next quarter go to: business.lehigh.edu/LRMI.

About the Center for Supply Chain Research at Lehigh

CSCRL bridges theory and practice to promote a collaborative exchange of ideas on critical issues affecting supply chain management. By leveraging Lehigh's faculty, students, alumni and industry partners, the Center brings the latest developments in research and best practices together to generate new ideas for education and future knowledge in the field of supply chain management. [Learn more.](#)

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